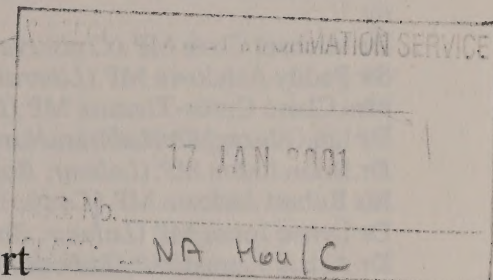


HOUSE OF COMMONS

SESSION 2000–01

## SCIENCE AND TECHNOLOGY COMMITTEE

First Special Report

**THE WORK OF THE SCIENCE AND  
TECHNOLOGY COMMITTEE 1997–2000**

Report and Appendices, together with the  
Proceedings of the Committee

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*Ordered by The House of Commons to be printed  
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## The Science and Technology Committee

The Science and Technology Committee is appointed to examine on behalf of the House of Commons the expenditure, administration and policy of the Office of Science and Technology (and any associated public bodies). Its constitution and powers are set out in House of Commons Standing Order No. 152.

The Committee has a maximum of eleven members, of whom the quorum for any formal proceedings is three. The members of the Committee are appointed by the House and unless discharged remain on the Committee until the next dissolution of Parliament. The present membership of the Committee is as follows:<sup>1</sup>

Dr Michael Clark MP (*Conservative, Rayleigh*)<sup>2</sup>  
Sir Paddy Ashdown MP (*Liberal Democrat, Yeovil*)<sup>6</sup>  
Mrs Claire Curtis-Thomas MP (*Labour, Crosby*)<sup>2</sup>  
Dr Ian Gibson MP (*Labour, Norwich North*)<sup>2</sup>  
Dr Brian Iddon MP (*Labour, Bolton South East*)<sup>5</sup>  
Mr Robert Jackson MP (*Conservative, Wantage*)<sup>3</sup>  
Dr Lynne Jones MP (*Labour, Birmingham Selly Oak*)<sup>2</sup>  
Dr Ashok Kumar MP (*Labour, Middlesbrough South and East Cleveland*)<sup>2</sup>  
Mr Ian Taylor MP (*Conservative, Esher and Walton*)<sup>4</sup>  
Dr Desmond Turner MP (*Labour, Brighton Kemptown*)<sup>2</sup>  
Dr Alan W Williams MP (*Labour, Carmarthen East and Dinefwr*)<sup>2</sup>

On 30 July 1997, the Committee elected Dr Michael Clark as its Chairman.

The Committee has the power to require the submission of written evidence and documents, to examine witnesses, and to make Reports to the House.

The Committee may meet at any time (except when Parliament is prorogued or dissolved) and at any place within the United Kingdom. The Committee may meet concurrently with other committees or sub-committees established under Standing Order No. 152 for the purposes of deliberating, taking evidence or considering draft reports. The Committee may meet concurrently with the House's European Scrutiny Committee (or any of its sub-committees) or the Environmental Audit Committee for the purposes of deliberating or taking evidence. The Committee may exchange documents and evidence with any of these committees, as well as with the House's Public Accounts and Deregulation Committees.

The Reports and evidence of the Committee are published by The Stationery Office by Order of the House. All publications of the Committee (including press notices) are on the Internet at [www.parliament.uk/commons/selcom/s&thome.htm](http://www.parliament.uk/commons/selcom/s&thome.htm)

All correspondence should be addressed to The Clerk of the Science and Technology Committee, Committee Office, 7 Millbank, London SW1P 3JA. The telephone number for general inquiries is: 020 7219 2794; the Committee's e-mail address is: [scitechcom@parliament.uk](mailto:scitechcom@parliament.uk)

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<sup>1</sup> Mrs Caroline Spelman MP (*Con, Meriden*) was appointed on 14 July 1997 and discharged on 22 June 1998. Mr David Atkinson MP (*Con, Bournemouth*) was appointed on 14 July 1997 and discharged on 30 November 1998.

Mrs Jacqui Lait MP (*Con, Beckenham*) was appointed on 22 June 1998 and discharged on 5 July 1999.

Mr Nigel Beard MP (*Lab, Bexleyheath and Crayford*) was appointed on 14 July 1997 and discharged on 20 March 2000.

Mr Nigel Jones (*Lib Dem, Cheltenham*) was appointed on 14 July 1997 and discharged on 15 May 2000.

<sup>2</sup> Appointed on 14 July 1997.

<sup>3</sup> Appointed on 5 July 1999.

<sup>4</sup> Appointed on 30 November 1998.

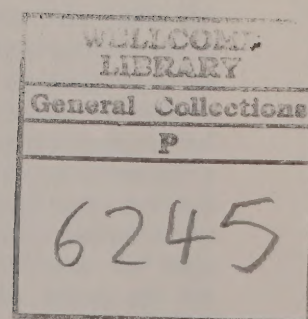
<sup>5</sup> Appointed on 20 March 2000.

<sup>6</sup> Appointed on 15 May 2000.



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# FIRST SPECIAL REPORT

**The Science and Technology Committee has agreed to the following Special Report:—**

## **THE WORK OF THE SCIENCE AND TECHNOLOGY COMMITTEE 1997-2000**

### **Introduction**

1. The Liaison Committee Report "*Shifting the Balance: Select Committees and the Executive*" directed departmental select committees to provide annual reports, reporting on progress on past recommendations, difficulties encountered in Committee work and examples of good practice.<sup>5</sup> This Special Report is our response. Since we have not produced such a Report before, this is a Report on our activities in the whole of this Parliament rather than just the 1999-2000 Session.

2. In this Parliament we have, so far, published seventeen Reports and nine Special Reports. A list of our Reports and Government Replies is printed as an Annex to this Special Report. We draw together here some general conclusions from our inquiries and other work.

3. Our inquiries have normally resulted in publication of Reports. However, we have, on occasion, conducted one-off oral evidence sessions to discuss matters of interest with ministers or senior officials. We have not had cause to examine any draft legislation or treaties, nor have we held any confirmation hearings.

4. Since the beginning of the Parliament, the Committee has undertaken overseas visits to the USA, Canada, Germany and Helsinki in connection with its inquiries into Engineering and Physical Sciences Based Innovation and Cancer Research—A Fresh Look. We also visited the European Commission in Brussels to discuss the Fifth Framework, funding for space research and topics related to current inquiries. The Committee has also travelled extensively in the UK, particularly in connection with its inquiry into Cancer Research—A Fresh Look, when five visits to hospitals and research centres took place. On one occasion the Committee took evidence away from Westminster, during a visit to the Generics Group in Cambridge, in connection with its inquiry into Engineering and Physical Sciences Based Innovation. On an informal basis, the Committee has had presentations from, and held discussions with, various scientific bodies, and also met with science attachés and delegates from overseas.

### **The Committee's Remit**

5. Under Standing Order No. 152, the Science and Technology Committee is established to "*examine the expenditure, administration and policy of the Office of Science and Technology*". Thus, we are established as a departmental select committee although the Office of Science and Technology (OST) is itself just one part of the Department of Trade and Industry (DTI). But as the OST has a trans-departmental function, monitoring science and technology matters in all departments of Government, so we too have a cross-cutting function. Many of our inquiries, therefore, extend beyond the executive responsibility of the OST. For instance, we have been conducting an inquiry into the Scientific Advisory System for which the head of the OST, the Chief Scientific Adviser, has responsibility across Government. Two of our inquiries (on mobile phones and on cancer research) have focussed on matters largely within the responsibility of the Department of Health, two (on diabetes and driving, and on climate change) focussed on matters within the responsibility of the Department of the Environment, Transport and the Regions and one (on the National Endowment for Science, Technology and the Arts) within the responsibility of the Department for Culture, Media and Sport. Other inquiries have considered matters which fall within the responsibility of the Ministry of Defence, the Ministry of Agriculture, Fisheries and Food, and the DTI. We are grateful to other departmental select committees for their understanding that from time to time we may scrutinise science matters which are the responsibility of other Departments. This has had advantages in that it allowed us to conduct

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<sup>5</sup>First Report of the Liaison Committee, Session 1999-2000, *Shifting the Balance: Select Committees and the Executive*, HC 300, paragraphs 51-55.



inquiries into scientific aspects of policy in most Government Departments, but it has limited the extent to which we have built up a relationship with, and a detailed knowledge of, a single Department in the way other departmental select committees would normally do.

6. Because OST is part of the DTI it does not publish its own Departmental Report and Expenditure Plans. It is for the Trade and Industry Committee to scrutinise the DTI's Departmental Report and overall expenditure plans, and the DTI's transition to resource accounting and budgeting. We have, however, taken a very close interest in the Science Budget and in DTI policy on science and innovation. Earlier this year we conducted a series of evidence sessions on the impact of the 1993 Science White Paper, *Realising our Potential*, and are now extending it to cover the new Science and Innovation White Paper, *Excellence and Opportunity*, and the recently announced Science Budget. We have also resolved to examine each edition of the Forward Look, which details spending on science, engineering and technology (SET) research across Government Departments.<sup>6</sup>

7. We have also examined issues relating to industrial research and development (R&D) and innovation which are a crucial part of the research activity in the UK. To this end we have examined, on two occasions, the impact on R&D of the merger proposals between Glaxo Wellcome and SmithKline Beecham (which are the two biggest investors in R&D in the UK)<sup>7</sup>, and more recently, on the implications for R&D in the UK of the creation of Corus plc from British Steel and Hoogovens. Our extensive inquiry into innovation in Engineering and Physical Sciences went well beyond Government-funded R&D to look at the factors important for innovation in industry.<sup>8</sup>

### Government Replies

8. Government replies to our Reports have generally been on time or, by agreement, slightly late, but in a couple of cases, in which Departments other than OST were involved, the Government's replies were very late.<sup>9</sup> In the case of our Report on genetically modified foods, the reply arrived some six months after the Report was published, barely in time for a scheduled Westminster Hall debate on the topic and only after direct complaint to the minister.

9. A further concern is the quality of Government replies. This is variable. In many cases, the Government has provided useful and constructive replies but occasionally the standard falls short of expectations. Indeed, we recently published a Report commenting on the failure of the Government to provide an adequate reply to our Fifth Report of Session 1999–2000.<sup>10</sup>

### Follow up

10. We have followed up a number of the issues raised in Government replies to our reports by seeking updates from the Government on action taken since the reply was published. The Government's updates are attached as Appendices to this Special Report. On two occasions we have followed up an inquiry with a short inquiry into progress, one year later. In 1999, we followed up our 1998 Report into computer compliance with the year 2000 date change.<sup>11</sup> Our initial inquiry raised a number of concerns about the readiness of the public and private sectors

<sup>6</sup> Fifth Report, Session 1999–2000, *Government Expenditure on Research and Development: The Forward Look*, HC 196-I.

<sup>7</sup> Third Report, Session 1997–98, *Glaxo Wellcome and SmithKline Beecham: The Merger Proposals*, HC 627, and Fourth Report, Session 1999–2000, *Glaxo Wellcome and SmithKline Beecham*, HC 207-I.

<sup>8</sup> Second Report, Session 1999–2000, *Engineering and Physical Sciences Based Innovation*, HC 195-I.

<sup>9</sup> First Report, Session 1998–99, *Scientific Advisory System: Genetically Modified Food*, HC 286-I, published 18 May 1999; Government Response published as Cm 4527, 9 November 1999. Sixth Report, Session 1999–2000, *Cancer Research - A Fresh Look*, HC 332, published 27 July 2000; Government Response published as Cm 4928, 17 November 2000.

<sup>10</sup> Seventh Report, Session 1999–2000, *The Government's Expenditure on Research and Development: The Forward Look—The Government's Reply*, HC 723.

<sup>11</sup> Second Report, Session 1997–98, *The Year 2000—Computer Compliance*, HC 342-I. First Report, Session 1999–2000, *The Year 2000—Computer Compliance: Follow-Up*, HC 37.



to cope with the millennium date change, and our follow up inquiry enabled us to examine and comment on progress in this critical preparation. Similarly in 1999, we followed up our 1998 Report on British Biotech with a short inquiry into the Regulation of the Biotechnology Industry.

### Use of case studies

11. The Chief Scientific Adviser (CSA) published guidelines on the use of scientific advice in policy making in March 1997. Each year, the CSA has reported on progress on implementing these Guidelines and the OST is currently consulting on a code of practice for scientific advisory committees. In parallel with this, we have been conducting an inquiry into the Scientific Advisory System through a series of case studies. Scientific advice covers a diverse range of issues, impacting on policy in most areas of Government. Our case studies have looked at issues as diverse as genetically modified food and the driving licence rules affecting people with diabetes. Conducting the inquiry through case studies has enabled us to consider scientific advice in a range of areas and identify generic, cross-cutting concerns which apply to best practice in commissioning, securing and communicating scientific advice. We will publish our overarching Report on the scientific advisory system in the new year, taking into account our findings in our case studies and other material, most notably the report of the recent BSE inquiry.

### Eureka Conference

12. Each year we, together with the Lords Select Committee on Science and Technology, have contributed Members to the UK delegation to the EUREKA Inter-Parliamentary Conference. EUREKA is a network for Europe-wide industrial R&D collaboration. EUREKA is intended to strengthen European competitiveness, promote market-driven collaboration in R&D, involve industry and research institutes across Europe and result in cost effective products, processes and services. The Inter-Parliamentary Conference holds discussions and produces a resolution which draws the attention of the EUREKA Ministerial Conference to particular issues and developments. Beyond its formal output, participation at the EUREKA conference has been beneficial to us through the creation of a networking forum amongst parliamentarians interested in industrial R&D.

### Scrutiny of Code of Practice

13. In conducting an inquiry into the troubled biotechnology company British Biotech, in 1998, we noted that there were particular problems for growth companies in this industry, particularly in terms of disclosure of research results and recommended that there should be regulation governing the release of information for the biotechnology industry.<sup>12</sup> The Government took the view that this was a matter for internal regulation by the industry; and the BioIndustries Association (BIA) sought our assistance in developing its Code of Practice. At the start of the process we were consulted informally on the sort of thing that the Code should cover; and later, when there was a working draft, we were asked to comment on it. We reviewed the Code of Practice and then set up an oral evidence session with the BIA to discuss it. We subsequently wrote to the BIA with comments on the draft, most of which were incorporated into the Code before it was put to BIA members. Our correspondence with the BIA was published as an Appendix to a short Report.<sup>13</sup>

### Multiple witnesses

14. Of the many oral evidence sessions conducted this Parliament, the most memorable was the occasion on 21 June 2000 when we took oral evidence from some 20 sets of witnesses in a single session for our inquiry into cancer research. The idea came from our experiences in the

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<sup>12</sup>Fifth Report, Session 1997-98, *British Biotech*, HC 888.

<sup>13</sup>Fourth Report, Session 1998-99, *The Regulation of the Biotechnology Industry*, HC 535.



USA where we witnessed members of the public presenting their evidence to Congressional Committees. We realised that the main stakeholders in cancer research had little opportunity to make direct input to the inquiry. The evidence session required novel and creative practices in terms of taking oral evidence in public. It also placed unusual demands on us, our staff and our witnesses and required thorough planning and organisation. The result of the extra effort was a highly successful, enlightening and informative session. Many organisations and individuals—patients, carers, health professionals, support groups—had the opportunity of presenting their views first hand. This session made a real difference to the inquiry and to the overall tone of the Report. It changed our perspective on the problem and demonstrated the urgency of the need to resolve deficiencies in UK Cancer Research. It also did much to increase the profile of our cancer research inquiry, which in turn, we believe, increased pressure on the Government to increase the priority given to cancer research. Should appropriate circumstances occur again, we would be pleased to conduct a similar exercise in future inquiries and commend this approach to other committees.

### **“Scrutiny”**

15. Another notable aspect of our inquiry into cancer research was the involvement of the BBC “Scrutiny” team and the resulting TV programme *“Fighting Cancer”*, which was broadcast shortly after the publication of our report. There was also a short radio report of our visit to the USA and Canada. Despite some reservations beforehand, we agreed to be followed by the Scrutiny team throughout the inquiry. The result was most satisfactory both in tackling the cancer research issues and in presenting the various aspects of a complex select committee inquiry. The additional exposure certainly helped the inquiry. The interaction with the Scrutiny team was friendly and professional. The success of this project was to some extent a result of setting clear ground rules in agreement with the producer in advance of the project commencing. We regret the BBC’s decision not to continue with the Scrutiny format.

### **Joint working with the House of Lords Committee on Science and Technology**

16. One of the unique features of the Science and Technology Committee is that we have a parallel Committee in the House of Lords. Our relations with our counterparts in the Lords have been cordial but, at present, cannot be formal. Many of our interests overlap—as can be observed by regular attendance at the Parliamentary and Scientific Committee of members from both Committees. Our Chairman has had regular meetings with his counterpart in the Lords and on one occasion our Chairman and Clerk were invited to attend a Lords Committee meeting to discuss future programme, to ensure that the two Committees were not planning to do the same inquiry at the same time. On 14 November 2000 we met jointly, although informally, with the Lords Committee and the former Chief Scientific Adviser to discuss the recent Science White Paper and other matters.

17. At present, the Lords Select Committee on Science and Technology has the authority to meet formally with us but we have no such authority to meet formally with them. After our informal meeting with the Lords Committee we resolved to seek the permission of the House to meet formally with them. Our request is published as our Second Special Report of Session 1999–2000.<sup>14</sup> We hope that the Leader of the House will table Standing Order changes shortly. While we would not expect to meet jointly with the Lords Committee on a regular basis, there are matters of interest to both committees (for example the appointment of new ministers and senior officials, new science policy statements and budgets) where it might be sensible to meet together to avoid duplication of effort and to improve mutual understanding, as well as to reduce the demands on ministers.

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<sup>14</sup>Second Special Report, Session 1999–2000, HC 980.



## The Parliamentary Office of Science and Technology

18. The work of the Parliamentary Office of Science and Technology (POST) has been of major benefit to us. Four of our Members are also members of the POST Board. Two of our inquiries have begun with briefing contributed directly by POST. Our Committee staff benefit greatly from their close, informal liaison with POST staff. Members of POST staff have come to our private meetings to provide briefing on complex matters of science and technology policy and practice. Many areas of public policy are based, in some way, on scientific evidence but there are those who would misrepresent scientific evidence for their own political ends. The impartial analysis and briefing provided by POST has allowed us, and other parliamentarians, to enter into these debates with a better understanding of the issues. We note that some other select committees also use briefing from POST and we would encourage even wider use of their considerable expertise by other committees. Science and technology, and POST briefing, can be helpful in understanding policy issues in most aspects of Government—as evidenced by recent POST reports on missile defences, climate change, human genome research, MOX nuclear fuel, early years learning, biodiversity, GM crops and so on. We are delighted that the House has recently resolved to approve the Information Committee's Report recommending that POST be established on a permanent basis.<sup>15</sup>

## Research Infrastructure Funding

19. Throughout this Parliament we have maintained pressure on the Government to increase Government investment in research infrastructure. In 1998 we called for a cash injection of £410–430 million to regenerate infrastructure for university research.<sup>16</sup> In response the Government provided £300 million in the Joint Infrastructure Fund through the 1998 Comprehensive Spending Review, matched by a contribution by the Wellcome Trust of £300 million. This funding was later increased to £750 million in total. In the 2000 Spending Review the Government created the Science Research Investment Fund which provided a further £1 billion of new funds for research infrastructure and, critically, appears to provide for ongoing continuous renewal of research infrastructure in universities and research council laboratories for the long term. We welcome the increased funding for the Science Budget, in the spending reviews of 1998 and, in particular, 2000. We hope, and believe, that our activities and reports have been an influencing factor in this success for the academic science base.

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<sup>15</sup> Official Report, 21 November 2000, col 283. First Report of the Information Committee, Session 1999–2000, *The Future of the Parliamentary Office of Science and Technology*, HC 659, 20 July 2000, paragraph 15.

<sup>16</sup> First Report, Session 1997–98, *The Implications of the Dearing Report for the Structure and Funding of University Research*, HC 303-I, paragraph 35.



## Reports of the Science and Technology Committee in this Parliament

### Session 1997–1998

- First Report: *The Implications of the Dearing Report for the Structure and Funding of University Research*, HC 303-I, published 2 April 1998.
- Second Report: *The Year 2000—Computer Compliance*, HC 342-I, published 7 April 1998. (Government's response published as Cm 3944, July 1998.)
- Third Report: *Glaxo Wellcome and SmithKline Beecham: The Merger Proposals*, HC 627, published 16 June 1998.
- Fourth Report: *The Cloning of Animals from Adult Cells*, HC 1039, published 4 August 1998.
- Fifth Report: *British Biotech*, HC, 888-I, published 17 August 1998.
- Sixth Report: *Science and the Comprehensive Spending Review*, HC 1040, published 1 December 1998.
- 1<sup>st</sup> Special Report: *The Government's Response to the Science and Technology Committee's Fourth Report, Session 1996-97, The Research Council System: Issues for the Future*, HC 302, published 11 December 1997.
- 2<sup>nd</sup> Special Report: *The Government's Response to the Science and Technology Committee's Third Report, Session 1996-97, The Natural Environment Research Council and Research into Climate Change*, HC 306, published 11 December 1997.
- 3<sup>rd</sup> Special Report: *The Government's Response to the Science and Technology Committee's First Report, Session 1997-98, the Implications of the Dearing Report for the Structure and Funding of University Research*, HC 799, published 30 June 1998.
- 4<sup>th</sup> Special Report: *The Government's Response to the Science and Technology Committee's Fifth Report Session 1997-98 British Biotech*, HC 1185, published 3 December 1998.

### Session 1998–1999

- First Report: *Scientific Advisory System: Genetically Modified Foods*, HC 286-I, published 18 May 1999. (Government's response published as Cm 4427, November 1999.)
- Second Report: *The National Endowment for Science, Technology and the Arts*, HC 472, published 22 July 1999.
- Third Report: *Scientific Advisory System: Mobile Phones and Health*, HC 489, published 22 September 1999. (NB Government's response published as Cm 4551, December 1999.)
- Fourth Report: *The Regulation of the Biotechnology Industry*, HC 535, published 13 December 1999.



1<sup>st</sup> Special Report: *Government Response to the Sixth Report of the Science and Technology Committee (Session 1997-98) on Science and the Comprehensive Spending Review*, HC 234, published 23 February 1999.

2<sup>nd</sup> Special Report: *Government Response to the Second Report from the Committee on the National Endowment for Science, Technology and the Arts*, HC 822, published 11 November 1999.

### Session 1999–2000

First Report: *The Year 2000—Computer Compliance: Follow-Up*, HC 37, published 9 December 1999.

Second Report: *Engineering and Physical Sciences Based Innovation*, HC 195-I, published 9 February 2000.

Third Report: *Scientific Advisory System: Diabetes and Driving Licences*, HC 206-I, published March 2000.  
(Government's response published as Cm 4723, May 2000.)

Fourth Report: *Glaxo Wellcome and SmithKline Beecham*, HC 207-I, published 11 April 2000.

Fifth Report: *Government Expenditure on Research and Development: The Forward Look*, HC 196-I, published 19 April 2000.

Sixth Report: *Cancer Research—A Fresh Look*, HC 332-I, published 27 July 2000.  
(Government's response published as Cm 4928, November 2000.)

Seventh Report: *The Government's Expenditure on Research and Development: The Forward Look—The Government's Reply*, HC 723, published 16 August 2000.

1<sup>st</sup> Special Report: *Government Response to the Second Report of the Science and Technology Committee (Session 1999-2000) on Engineering and Physical Sciences Based Innovation*, HC 451, published 8 May 2000.

2<sup>nd</sup> Special Report: *Joint Working with the Lords Science and Technology Committee*, HC 980, published 16 November 2000.

3<sup>rd</sup> Special Report: *Government Response to the Seventh Report of the Science and Technology Committee on the Government's Expenditure on Research and Development: The Forward Look—The Government's Reply*, HC 981, published 23 November 2000.



**PROCEEDINGS OF THE COMMITTEE RELATING TO THE REPORT**

WEDNESDAY 13 DECEMBER 2000

Members present:

Dr Michael Clark, in the Chair

Sir Paddy Ashdown  
Dr Ian Gibson  
Dr Brian Iddon  
Dr Lynne Jones

Dr Ashok Kumar  
Dr Desmond Turner  
Dr Alan Williams

The Committee deliberated.

Draft Special Report (The Work of the Science and Technology Committee 1997–2000), proposed by the Chairman, brought up and read.

*Ordered*, That the draft Report be read a second time, paragraph by paragraph.

Paragraphs 1 to 19 read and agreed to.

Annex agreed to.

*Resolved*, That the Report be the First Special Report of the Committee to the House.

*Ordered*, That the Chairman do make the Report to the House.

*Ordered*, That the Memoranda from the Office of Science and Technology on Progress on Select Committee Recommendations be appended to the Report. - (*The Chairman.*)

[Adjourned till Wednesday 20 December at a quarter to Four o'clock.]



## APPENDIX 1

## Memorandum from the Office of Science and Technology

**PROGRESS ON RECOMMENDATIONS BY THE HOUSE OF COMMONS  
SCIENCE AND TECHNOLOGY COMMITTEE IN VARIOUS REPORTS DURING  
THIS PARLIAMENT**

The Office of Science and Technology is pleased to provide the following statement on the present situation concerning some of the recommendations made by the Committee in a number of its reports during this Parliament.

2. For ease of reference in the following, the titles of these particular reports are shown in bold and the italicised text indicates the questions about these particular recommendations which are raised in a letter of 18 October 2000 from the Committee's clerk.

**First Report 1997- 98: Implications of the Dearing Report for the Structure and Funding of University Research, HC 799, 2 April 1998**

*Regarding recommendations (g), (h) and (i) about Research Council funding for the indirect costs of university research, the Government's reply stated that consideration would be given to the suggestion that the Councils should meet the full indirect costs of the research that they fund in universities as part of the then (1998) Comprehensive Spending Review. Has any further consideration been given to this issue and if so, with what results?*

3. The Government is still considering the resource implications of these recommendations, and will not be in a position to accurately quantify them until the autumn of 2001. By that time the most research intensive universities, accounting for some 75% of publicly funded research, will have reported fully transparent costing data following implementation of the Transparency Review. This review is covered more fully in paragraphs 10–16 below.

*Regarding recommendations (j), (k) and (l) about the full economic costs of university research being met in cash or kind by all funders outside the dual support arrangements, the Government's original reply announced a three year strategy to support institutions in adopting good practice in costing and pricing for research, with funding of £2.8 million to facilitate the integration of financial and academic planning and to provide training for managers. What progress has been made against the three year strategy and what are the plans for the future in this regard?*

4. During the past 18 months the Higher Education Funding Council for England (HEFCE) has conducted a fundamental review of its research policy and funding. The review addressed the nature and role of the Research Assessment Exercise, but it did so in terms of whether there were currently, or could be developed, better approaches to support the allocation of the block grant that the Funding Council provides to HEIs rather than to directly explore the point in the Committee's recommendation (j) - whether it should be amended to reward institutions which attract grants or commissions for research on terms which provide for meeting the full economic costs either in cash or in kind. The Funding Council believes that this issue is better addressed through the funding model which HEFCE operates and into which RAE scores feed.

5. One of the central issues that the Review addressed was how to ensure that a sustainable project infrastructure funding balance was created and maintained for the long term in order that appropriate research infrastructure was provided within HEIs in order for them to carry out to a high quality work funded by research grants or other commissions. The review did not conclude that HEFCE should only reward institutions which attract grants or commissions for research on terms which provide for meeting the full economic costs either in cash or in kind. It is the HEFCE's role under the dual support system to provide for the infrastructure costs that are not included in grants provided by the Research Councils.



6. However, it was concerned to ensure that project activity in general was properly supported and made a number of significant recommendations in this respect:

Recommendation 25: The HEFCE should consider ways of modifying its funding method to remove incentives to recruit research staff and students at the expense of appropriate investment in research infrastructure.

Recommendation 26: The HEFCE should no longer include an element which recognises income from charities in calculating the total funding for each subject, but should instead agree an explicit basis of support that reflects the contribution by charities to the direct costs associated with projects.

Recommendation 27: The HEFCE should consider whether it is necessary to amend the funding model to explicitly recognise that funding provided as EU grants and contracts currently does not cover all the costs associated with the project.

Recommendation 28: In general, institutions should charge prices which cover at least the full cost of research which they carry out under contract.

In these recommendations the Review distinguished between collaborative research, where the institution deemed that there was an inherent benefit in undertaking the work and therefore the sum sought from the sponsor would not necessarily be expected to equal cost, and "Contract Research" where the HEI was simply providing a service and in which circumstances the full cost should be charged.

7. This distinction is important as much intellectually valuable work, which ultimately adds to the public knowledge base and contributes to the public good is sponsored by users on a collaborative basis and in such circumstances they should not be expected to meet the full costs of research in purely cash terms. The level of contribution in a given case should be a matter of discretion for the institution, based on the particular circumstances and a good understanding of its cost base, such as that provided by the Transparency Review. The Funding Council's concern would be to ensure that in general there was a level of investment in infrastructure such that public and private funders alike could expect researchers to be able to access appropriate infrastructure within institutions in order for work to be carried out to a high standard.

8. These recommendations are currently the subject of a wide-ranging consultation exercise including HEIs, private and public sector funders of research, research users and other stakeholders, which will run until 8<sup>th</sup> December 2000. Responses to this consultation will be placed before the HEFCE Board for consideration when it meets on 29<sup>th</sup> January 2001.

9. The £2.8m to support institutions in adopting good practice in costing and pricing for research has been made available through the Joint Costing and Pricing Steering Group (JCPSG) which was established by the sector representative bodies and the higher education funding councils in July 1997 to support the general development, and promote the adoption, of good practice in costing and pricing.

10. Following the 1998 Comprehensive Spending Review, additional funding for higher education was made conditional on improved transparency concerning the way public funds are spent in universities. A Government initiative, known as the 'Transparency Review' was initiated by OST, working closely together with the Education Departments, Research Councils and Funding Councils.

11. Considerable complementarity and joint working has been established between JCPSG and the Transparency review secretariat. A large number of HEIs have applied for funding under the JCPSG initiative (representing 60 per cent of the sector to date) and the remainder are expected to apply during the coming year. Two National Co-ordinators have been appointed who are in close contact with all institutions to promote the benefits of costing and pricing in informing decision-making, to support the development and delivery of training materials, and help institutions meet the Transparency Review requirements.



12. Progress to date includes

- Increased level of commitment by governing bodies, institutional heads and senior managers to view costing and pricing as mainstream within institutions' overall strategies.
- Wider adoption of a more standardised approach to the identification and allocation of costs.
- Increased awareness of the financial implications, including opportunity costs, of academic decisions, both locally and across disciplines.
- Better-informed pricing decisions leading to improved net contributions with no loss of markets or quality.
- Increased understanding of costs and cost drivers, initially on a pilot basis, but increasingly rolled out consistently across institutions.
- Increased appreciation of the need to tackle cultural issues while recognising the time and resources necessary to achieve real progress.

13. In addition, 14 regional groups have been established across the UK to help institutions develop their costing and pricing systems and to facilitate discussion of issues relating to the implementation of the Transparency Review, the dissemination of good practice and to provide an opportunity for the benchmarking of results. A number of examples of institutional costing and pricing intranets have been established, and these have been made available through the JCPSG web-site (<http://www.bris.ac.uk/JCPSG/>).

14. The JCPSG is securing the acceptance by government departments of the principles enshrined in the "Transparent Approach to Costing (TRAC)" document as the basis for pricing government contracts.

15. The priority areas will be:

- a. Securing the implementation of the TRAC across all research intensive institutions by July 2001 to allow for reporting in January 2002.
- b. Securing the adoption of TRAC as the basis for pricing government contracts.
- c. Delivering improved awareness and understanding of pricing issues to secure improved net contributions from activities.
- d. Addressing the 'low price' culture that has developed across the sector.

16. The Government's timetable requires the whole sector to implement the Transparency Review by 2002; to achieve this the UK higher education funding councils have provided the JCPSG with additional resources to July 2002. These will allow JCPSG to continue to provide support at an appropriate level for the whole sector throughout the implementation period.

*What progress has been made since the Government accepted recommendation (m) concerning the introduction of some flexibility, to allow funding of indirect costs beyond 20% where appropriate, into the European Commission's Framework Programme?*

17. In Framework Programme 4, organisations with analytical accounting systems received funding at a rate of 50% of the full cost of the project under the Full Cost Model. Most universities did not at that time operate an analytical accounting system and so the Additional Cost Model was introduced. (See below for details.) Universities continued to have concerns about funding.



18. During the negotiations for Framework Programme 5, officials addressed the issue of funding models. There are now 3 funding models:

**Full Cost, actual overhead rate:** as in FP4, total eligible costs using a real rate of overheads—for organisations with analytical accounting systems. Commission contribution = 50%.

**Additional Cost:** as in FP4, 100% funding of the additional direct costs of the research (eg temporary staff hired for the project, consumables, computer usage etc) plus a sum totalling 20% of these additional direct costs to contribute to the indirect costs (“overheads”)—for organisations operating only a basic level of accountancy.

**NEW. Full Cost, flat overhead rate:** total eligible costs using, in respect of overheads, a lump sum amounting to 80% of the eligible personnel costs—for organisations whose accounting system enables identification of the direct costs relating to research, including that of its permanent personnel, but which cannot identify overheads with a sufficient degree of precision. Commission contribution = 50% of all eligible costs.

19. The Full Cost, flat overhead rate model is designed to address some of the concerns of the Additional Cost Model and to ease the transition between the Additional Cost model and the Full Cost, actual overhead rate model. However, UK universities are not generally able to fulfil the criteria for using the Full Cost, flat overhead rate model, due to an inability to identify the direct costs of research.

20. Paragraphs 10–16 above set out the work currently underway to improve the transparency of costing of research in universities and the Government’s timetable for this work with full implementation by 2002. FP6 is expected to start in 2003 by when UK universities should be able to identify accurately all the costs of their research, and so be well placed to seek funding on the Full Cost, actual overhead rate model, assuming that the funding mechanisms remain the same as in FP5.

*The Government accepted the Committee’s recommendations (x), (y), and (z), on the quality of training for post-graduate research students. What progress has been made on the introduction of the code of practice and what is the involvement of the Quality Assurance Agency?*

21. The Quality Assurance Agency drew up a code of practice for the assurance of academic quality and standards in postgraduate research programmes, which was published in January 1999. This provided guidance and precepts on a number of factors, including the research environment, promotional information, the selection, admission, enrolment and registration of students, student information and induction, the approval of research projects, skills training, supervision, assessment, feedback, complaints, appeals and evaluation. It has not been chosen by QAA as one of those against which institutions will be routinely audited.

22. The HEFCE Fundamental Review report mentioned above was in line with the Committee’s recommendations on this issue. It concluded that more did need to be done to improve the training of post-graduate research students. The relevant recommendations were:

Recommendation 33: Research training should be the subject of a separate, but linked, assessment process to the RAE.

Recommendation 34: Funding provided by the HEFCE for the training of research students should be calculated and allocated separately from the funding provided for research.

Recommendation 35: The HEFCE, together with the Research Councils and other stakeholders such as industry and charities, should develop minimum requirements which departments would need to satisfy in order to be eligible for HEFCE funding for postgraduate research student training. The research assessment process should be extended to establish whether departments comply with these minimum standards.



**Recommendation 36:** Collaborative arrangements should be established to enable units to meet all aspects of the postgraduate research training requirements, which might not be able to do so alone. The HEFCE should separately work up the practical arrangements to implement this recommendation.

23. As mentioned above, these recommendations are currently the subject of a consultation exercise, which will run until 8<sup>th</sup> December 2000. And discussions have already taken place between the Funding Councils and other partners, including commercial organisations and other stakeholders, to prepare a draft minimum standard that will be the subject of consultation in early 2001.

*What progress has been made on the implementation of the ( Research Careers) Concordat and what is being done to monitor improvements in research careers, as the Government indicated in its response to recommendation( aa) in relation to staff on short term contracts?*

24. Progress and monitoring arrangements are detailed fully in the Research Careers Initiative reports and supporting documentation available on the CVCP website at <http://www.cvcp.ac.uk/AboutUs/partnershipactivities/> . Hard copies of the reports (only) are enclosed with this reply for ease of reference.

25. The Government's recent Science and Innovation White Paper (paragraph 2.34) encourages the university employers and the Funding and Research Councils to take forward the latest RCI report's main recommendations.

**Sixth Report 1997-98: Science and the Comprehensive Spending Review, HC 1040, 1 December 1998**

26. Please refer to paragraphs 3 to 16 above in relation to recommendations (d) and (g) of this report concerning the Transparency Review, Research Council funding of indirect costs and the provision of £2.8m by the Funding Councils to support higher education institutions in adopting good practice in costing and pricing for research.

**First Report 1998-99: Scientific Advisory System: Genetically Modified Foods, HC 286, May 1999**

*What progress has been made on recommendation (e) about reducing the risk of fraudulent use of GM free labels by obliging retailers not to claim GM free status unless a full audit trail from seen to supermarket shelf is in place?*

27. The EU Commission has indicated in its White Paper on Food Safety that it intends to bring forward a proposed Commission Regulation on the labelling of GMO-free foods. The Food Standards Agency Board has endorsed the current GM labelling rules but has also recognised that there may be a need for further legislation

28. The ability to detect the presence of GM ingredients in food reliably is at the limit of current detection methodologies. A proficiency scheme was launched by the Food Standards Agency to look at the ability of labs to detect the presence of GM material at the single ingredient level, the results of which will be published in December. Similar studies have also been carried out with more complex foods. The Agency will launch a pilot study in the first instance to determine the ability of laboratories to detect the presence of GM material in commercial samples before launching a full surveillance programme to monitor the GM labelling position on the high street.

*What progress has been made on recommendation (aa) towards creating a health surveillance system for monitoring any long term impact on health of consuming GM Food?*



29. The Food Standards Agency has commissioned the feasibility study on the post market monitoring of novel foods referred to in the original Government response. The aim of the study is to determine if there are differences in food purchasing and consumption patterns at the district level and whether such differences could be linked to differences in health outcomes. This study started in July 2000 and will take 21 months to complete.

**Second Report 1999-2000: Engineering and Physical Sciences based Innovation, HC 195, 31 January 2001**

*In its response to recommendation (q) concerning 1998 and 1999 changes to the Capital Gains Tax regime, the Government stated that the impact of the changes would be monitored. What has this monitoring shown?*

**Capital Gains Tax**

30. The new system of taper relief was first introduced in 1998. It reduces the amount of Capital Gains Tax the longer an asset has been held, with a more generous rate of taper relief for business assets than for non-business assets.

31. In 1999, the Government consulted a range of interests, including “business angel” investors and venture capitalists, on possible changes to taper relief in the light of experience so far. This consultation showed that a more generous, shorter business assets taper would fit better with entrepreneurial investment patterns. Secondly, the entitlement to the business assets taper excluded a number of areas vital to promoting entrepreneurial behaviour. The subsequent changes were announced in the Spring 2000 Budget and implemented in the Finance Act 2000.

32. The maximum rate of taper relief for business assets is now reached after four years, rather than ten. With full business assets taper relief, the effective rate of CGT for a higher rate tax-payer is only 10%. The Government has also broadened the entitlement to the business assets taper. In addition to assets used for a person’s trade, business assets taper relief is now available on:

- All shares and securities in unlisted trading companies;
- All shares and securities owned by employees and officers in the trading companies where they work; and
- Shares and securities in listed trading companies if the share-holder is able to exercise at least 5% of the votes.

33. These changes have been widely welcomed and will boost investment, in particular investment in small high tech companies, and will encourage employee share ownership, thus furthering the productivity agenda. As before, the effects will be monitored.

34. In the November 2000 Pre-Budget Report, the Government announced that, subject to consultation, business assets taper relief would be extended to employees’ shares in a range of non-trading companies, including companies in the venture capital industry. This measure will further encourage employee share ownership. It will also simplify the administration of companies who will no longer have to consider whether they are “trading” for the purpose of taper relief.

**Employee Share Schemes**

35. In addition to the Capital Gains Tax measures outlined above, the Enterprise Management Incentives and the new All Employee Share Plan were also introduced by Finance Act 2000, after a successful period of consultation. Knowledge and experience of an advisory group drawn from private practice, companies, an academic and trade union representation helped to ensure that the new measures would be attractive for businesses to operate in practice.



36. These are new measures, so it is too early to say what effects they have had on recruitment, retention and the reward for entrepreneurial endeavour. The Inland Revenue has mechanisms in place to collect data that will enable them to keep the policy under review and ultimately evaluate its effects.

37. The Pre-Budget report of November 2000 includes details of the initial take-up of these two new measures since their introduction in July 2000:

- Over 160 companies have applied to set up an All Employee Share Ownership Plan and more than 20 company plans have already been approved (covering over 30,000 employees); and
- Over 100 companies have notified the Inland Revenue that they have granted options to a total of more than 500 employees under EMI.

38. The Government also announced in the November 2000 Pre-Budget Report that it would consult on expanding the Enterprise Management Incentives, so that smaller businesses can make more flexible use of these benefits in a way best suited to their needs.

*Regarding recommendation (t) about reviewing the legislation on bankruptcy and insolvency law, what has been the outcome of the consultation exercise and what further action is proposed and on what time scale?*

39. The closing date for the receipt of responses to the consultation "Bankruptcy—A Fresh Start" was 30 June 2000. From an analysis of the 124 written responses to this paper, along with the information obtained from the numerous consultation meetings that were held, it is clear that there is broad-based support for most of the reforms suggested. Consideration is now being given to conducting a further consultation on more detailed matters towards the end of this year and early next.

*Regarding recommendation (jj) about Regional Development Agencies, the Committee would welcome further details on the operation of £50 million regional innovation fund and the £50 million capital fund, as well as information on other activity in this area.*

40. In the March 2000 Budget, the Chancellor announced £50 million from the Capital Modernisation Fund to support cluster development, including business incubation, in the English regions. This funding is being channelled through a new fund – the Innovative Clusters Fund (ICF) – and is going to the Regional Development Agencies (RDAs), including the London Development Agency, to enable them to invest in projects which will assist in the development of clusters in their regions (in line with their Regional Economic Strategies). The money is spread over two years, £15 million in this Financial Year (2000–2001) and £35 million in the next FY (2001–2002). The RDAs have moved quickly to put forward positive proposals for using the new funding via individual Business Plans.

41. The Spending Review 2000 announced a strengthened role for the RDAs, with a new focus on economic development, together with significant additional funding to take forward this agenda. The RDAs will be given greater flexibility to use their budgets to support regional priorities through a single funding stream under which the RDAs will be managed through outcome and outputs agreed in the corporate planning round. This new "single pot" will operate from 2002–03.

42. This new Regional Innovation Funding (RIF) is worth £115 million over three years from 2001–2002 (£15 million in 2001–2002 and £50 million in each of the following two years 2002–2003/2003–2004). Together with the ICF, this will provide RDAs with £50 million a year (2001–02 through 2003–04) to spend on additional activities, which they identify as priorities, to support competitiveness, innovation and economic development within their regions. These priorities will support the aim of the Department (shared with DETR) to improve economic performance of all regions, measured by the trend in growth of each region's GDP per capita.



43. The RIF will support new activities, and complement current ones supported by the ICF, to promote innovation and enterprise and to support clusters and networks of businesses in their regions, delivered through agreed business/corporate plans. It will:

- support innovative sectoral/ geographical networks (including clusters);
- provide business incubator facilities;
- promote access to, and application of, new technologies by SMEs; and
- establish innovation centres and other centres of excellence in response to business needs.

44. The RIF will subsume the ICF in 2001–02 to provide RDAs with a single DTI programme funding stream and will, itself, be part of the RDAs' single budget in 2002–03 and 2003–04.

*Regarding recommendations (kk) and (ll) concerning the importance of clusters and changes to promote their development, the Committee would welcome a review of its activities to date and an indication of whether or not it has undertaken work that might address recommendation (ll).*

45. The Clusters Policy Steering Group (CPSG) has now met three times and has discussed a number of themes. Foremost amongst these have been the role of incubation in cluster development; the impact of the planning system on clusters; and the role of Regional Development Agencies (RDAs). Work on all three areas is on-going. The next formal agenda item will be the role of Higher Education Institutions. Whilst the work of the CPSG is not limited to high technology or new economy clusters, the need to foster innovation has a high priority in each of the areas considered to date and will continue to do so.

**Third Report 1999–2000: Scientific Advisory System: Diabetes and Driving Licences, HC 206, 7 March 2000**

*The Government accepted the Committee's recommendation (a) and stated that the Honorary Advisory Panel, at the invitation of the Department, was willing to re-examine its advice and the Government was seeking to establish a clearer picture of practices across the EU. Has the panel yet reconsidered this matter and with what outcome?*

46. The Driver and Vehicle Licensing Agency (DVLA) has obtained information from Belgium, Sweden, Denmark, Spain, Germany, and Norway. This was presented to the Honorary Medical Advisory Panel at its meeting on 4 October.

47. In light of this and other available information, the Panel reconsidered its previous advice and recommended that individual assessment should be introduced for category C1 (3.5–7.5 tonnes) applicants. They recommended that those with good diabetic control and no significant complications can be treated as "exceptional cases".

48. The Panel met to finalise the details for those new to insulin treatment on 8 November. It is expected that public consultation will begin shortly with a view to having the legislative changes in place by Spring 2001. As far as categories D1 (minibuses), C (lorries over 7.5 tonnes) and D (large buses) the Panel felt unable to change its long held view that driving should not be allowed. Their view was that further hard data was needed before any changes could be recommended.

49. Once the results of a recently initiated programme of research into diabetes and driving become available in two to three years time, the Panel will review the situation again.



*The Government accepted the Committee's comments in recommendation (b) about regularising the rules concerning insulin treated drivers and medium sized vehicles in consultation with the voluntary sector. Has this consultation yet taken place and with what results? What changes have been made following that consultation?*

50. Progress on consultation with the voluntary sector has been put on hold pending the Panel's reconsideration of category D1 minibus entitlement for drivers with insulin treated diabetes. The Panel re-affirmed on 8 November that this entitlement should be withheld. Work will now begin on addressing the voluntary minibus driver anomaly.

*The Government accepted recommendation (g) about appointing a road traffic accident statistics to the Honorary Advisory Panel on Driving and Diabetes Mellitus and considering similar appointments to the other Honorary Medical Advisory Panels. Has this yet been done in regard to the Honorary Advisory Panel on Driving and Diabetes Mellitus or any of the other Honorary Medical Advisory Panels?*

51. Each of the Panels has considered how the expertise of a statistician or epidemiologist might be used. The Advisory Panel on Diabetes has reservations about the usefulness of such an expert in view of the current absence of data. However an epidemiologist is to be involved in the diabetes research project which is currently out to tender. The other Advisory Panels intend to invite relevant expertise when needed.

*What progress has been made by the Government in considering how best to give effect to recommendation (i) about identifying jointly with the British Diabetic Association an insulin-treated diabetic to attend and participate in meetings of the Honorary Advisory Panel as a non-voting member?*

52. Diabetes UK has been asked to identify suitable persons for appointment to the Honorary Medical Advisory Panel. It is expected that appointments would be made by the time of the next Panel meeting in April 2001.

*Are there now plans for the Honorary Panel to publish an annual report and/or hold such a meeting with interested organisations, following the Government acceptance of the suggestions in recommendation (k) that the Honorary Panel publishes an annual report and, shortly afterwards, holds an annual meeting with the British Diabetic Association and other interested parties to discuss matters of common interest and to explain any complex recommendations made?*

53. Plans are in hand for the publication of an annual report on Panel proceedings. It is anticipated that the report will be published on the Internet in January 2001. Comments will be invited and meetings held with Diabetes UK, DVLA officials and/or the Panel, as necessary.

*Regarding recommendation (l), is the Honorary Advisory Panel now publishing its agendas in advance of meetings and minutes shortly after meetings, with the privacy of any individuals discussed protected?*

54. The agendas of all the Panel meetings held this Autumn have been posted on the Internet. The minutes of the meetings will be posted when finalised (excluding details of individual cases discussed).



## APPENDIX 2

### Further Memorandum from the Office of Science and Technology

#### PROGRESS ON SELECT COMMITTEE RECOMMENDATIONS ON THE SCIENTIFIC ADVISORY SYSTEM: MOBILE PHONES AND HEALTH (THE COMMITTEE'S THIRD REPORT OF THE 1998-99 SESSION)

##### Recommendation

**Q1** We recommend that the Government adopt the International Commission on Non-Ionizing Radiation Protection recommended guideline limits for microwave exposure as a precautionary measure. We further recommend that these guidelines be introduced quickly but with a grace period to allow network operators to achieve full compliance (recommendation a; paragraph).

##### Select Committee's comment

The Government rejected this recommendation in its response but appears to have accepted an almost identical recommendation from the Expert Group. What action has the Government taken to ensure that exposures from both mobile phones and base stations in the UK comply with ICNIRP recommended limits?

##### Response

*The Government did not reject this recommendation. The reply sought to explain the background and regulatory implications of the ICNIRP Guidelines. It described how Government supported the EU Recommendation on the limitation of public exposure to electromagnetic fields when it was proposed in June 1999. The EU Recommendation incorporates the ICNIRP public exposure guidelines. The Government response to the S+T Committee explained that compliance with the exposure guidelines was not specified in regulation, and said the policies would be reviewed after the Independent Expert Group had reported. The Government reply to the Independent Expert Group's report did not seek to explain the detailed background, but made the reference to the EU Recommendation explicit.*

*Whilst the way in which the Recommendation might be implemented in totality is still under consideration, it is clear that public exposures arising from the operation of mobile phone technologies will be below the ICNIRP guidelines in all areas of normal public access. The Government explained that mobile phones in use in the UK should already comply. With regard to base stations it is possible that where close access to base station antennas is possible, on open roof spaces for example, extended exclusion zones may have to be put in place. The network operators are presently undertaking assessments of such situations and implementing exclusion zones where appropriate.*

*The Board of NRPB has accepted the recommendation of the Independent Expert Group on the adoption of ICNIRP public exposure guidelines for mobile phone technologies. NRPB is currently developing a response on possible options for wider implementation of the ICNIRP guidelines in the UK.*

##### Recommendation

**Q2** We agree that there is a "need to confirm or deny the work on microwave-induced DNA fragmentation". We note with approval that industry is co-operating with the World Health Organisation and the European Union's fifth framework programme to determine



**priorities for a collaborative research programme to examine athermal effects of non-ionising radiation and endorse the need for this (recommendation h; paragraph).**

**Select Committee's comment.**

The Government's response expressed disappointment that some of the higher priority programmes in this area had not been supported through the FP5 Quality of Life Programme and stated that "we will maintain pressure on the Commission to fund more work in this field, sooner rather than later". What pressure has been applied and what has been the outcome of this pressure?

**Response**

*The Environment and Health Key Action (K.A. 4) of this programme encompasses research on mobile phones. There was an initial call for proposals in this area in 1999, with some research being funded and several proposals failing in open competition. The outcome of this call, together with the recent expert reports on this area from the UK and elsewhere, were considered earlier this year by an independent group of scientific experts whose role it is to advise the Commission on future priorities. Since the report of the Select Committee, the work programme has been revised, taking on board the recommendations of this so-called External Advisory Group (EAG) and the Programme Management Committee (PMC). The UK representatives (from OST and MRC) on the PMC ensured that the Commission was fully aware of the requirements for further research in this area and have endorsed the revised work programme accordingly.*

*The revised work programme for 2001, includes research on EMF (RF) radiation and cellular phones as a priority area. The only area that is now excluded for RTD projects (although still open for other types of funding), when compared to the original work programme is possible carcinogenic effects, which were judged by the EAG to have been adequately covered in the original call. All other areas are open for the full range of funding modalities including RTD projects. Highlighted research priorities include "cognitive and other effects, combined exposures and the quantification of exposures".*

*Failed proposals from the first call in 1999, can be resubmitted, for the 15 March 2001 deadline, if they fit with the new programme and assuming that they have been revised to respond to the concerns expressed by the original reviewers. Hopefully new proposals will also be submitted. However, all proposals will be independently peer-reviewed and considered for funding in open competition with other applications under the Environment and Health Key Action. Thus, as with the earlier EC call for proposals in 1999, there is no absolute guarantee that further research will be funded on mobile phones.*

**Recommendation**

**Q3** We believe that the level of publicly-funded research into the effects of microwave emissions falls short of an adequate programme into an area where public health implications should be regularly reviewed. We recommend that the Government ensures that a higher priority is given to a research programme into the health impacts of mobile phones. The public health aspects of new technologies should be incorporated into the Foresight Programme (recommendation j; paragraph).

**Select Committee's comment**

The Government's response noted that there would be Foresight consultations on this issue with emerging outputs placed in the Foresight Knowledge Pool and that the Foresight Healthcare Panel would also report on this issue. What has emerged since?

**Response**

*The announcement of a comprehensive research programme in mobile phones and health is imminent.*



*Foresight Panels published their consultation documents earlier this year. These and the responses to them are available on the Foresight website ([www.foresight.gov.uk](http://www.foresight.gov.uk)). Panel reports are scheduled for publication during the first week of December. The report from the Foresight Healthcare Panel will be published on 5th December, followed by reports from each of the nine Healthcare task forces as amplification, including the task force on International Influences on Health and Health Care, addressing the need for the systematic study of the health impact of technologies and public policies. The Foresight programme continues into a phase of implementation, ensuring that recommendations and issues raised in the reports are addressed.*

## Recommendation

**Q4** It is essential that there is an independent and appropriately-funded research programme which is seen to be objective and which is seen not to be directed by commercial interests, even if industry makes a contribution, to the funding (recommendation k; paragraph ).

## Select Committee's comment

The Government's response stated that "appropriate mechanisms for channelling industry support for research, so that it does not prejudice the independence of the research will need to be considered and agreed. Proposals in this area of research will also be considered through existing mechanisms". What new mechanisms have been established for funding research in this area and have any new research programmes commenced?

## Response

*Such a mechanism is being established using the LINK framework. A research programme is to be announced soon with 50 % Government and 50 % industry funding. The management structure ensures that the administration of the overall programme, and the selection of individual projects to be funded, is demonstrably independent of the industry sponsors whilst ensuring appropriate feedback channels for all funding organisations.*

